GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2386
ANSWERED ON:09.05.2016
Steel Production
Gandhi Shri Feroze Varun

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that majority of the Steel manufactured in the country is of secondary route and thus of an inferior quality and if so, the details thereof;

(b) the primary reasons behind the issues related to the quality of steel production in the country;

(c) the manner in which the Government proposes to address the inferior quality of machinery available for production of steel in the country; and

(d) the steps taken by the Government to make Country''s Steel companies globally competitive?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF (SHRI VISHNU DEO SAI) STEEL AND MINES
(a) & (b): In India, majority of (around 70%) crude steel is produced in Basic Oxygen Furnaces (BOF) and Electric Arc Furnaces (EAF) adopted in the integrated steel sector or in secondary sector, where there are no technological issues in producing quality steel. The balance crude steel is produced by Induction Furnace units which have technological limitations in refining of steel, to remove undesirable elements, if any, present in the inputs.

(c) Ministry of Steel has constituted a Core Group comprising domain experts to find ways & means to address the issues faced by the induction furnace units. As per the recommendations of the Core Group, the Government is providing financial assistance for pursuing R&D projects to find suitable ways to produce quality steel in Induction Furnace from available inputs in the country.

(d) The steel industry is a deregulated sector and the Government's role is only that of a facilitator to lay down policy guidelines and establishing conducive environment for growth & development of the Indian steel sector. The National steel Policy 2005 has stressed upon the need for the Indian steel industry to achieve global competitiveness not only in terms of cost, quality & product-mix but also in terms of global benchmarks of efficiency & productivity. The various initiatives by the Government and the steel industry to make the sector globally competitive are given below:

â€¢ The Indian steel companies have undertaken substantial modernisation & expansion programmes adopting state-of-the-art technologies for enhancing their capacities and also to improve their efficiencies at par with the global standards.
â€¢ Several new green field steel plants have been setup adopting the latest and state-of-the-art technologies to produce quality steel at competitive cost in environmentally sustainable manner.
â€¢ Some of the integrated steel plants have entered into joint collaboration agreements with the leading steel producers abroad to produce value added steel products such as automotive steel, at competitive cost.
â€¢ Some of the global leaders are also setting up wholly owned subsidiaries to produce value added quality steel for meeting domestic requirement and also for export.
â€¢ Government has also issued Steel & Steel Products (Quality Control) Orders to promote production and use of quality steel in critical end use applications.
â€¢ The Indian steel industry is also pursuing R&D in bringing improvement in productivity, quality of the steel products, mitigate pollution and also to reduce cost of production.
â€¢ Ministry of Steel is supplementing the R&D efforts of the steel industry by providing financial assistance from Plan fund of the Government and also Steel Development Fund.
â€¢ Ministry of Steel is also facilitating setting up of an industry led institutional mechanism to spearhead research & development of national importance for the iron & steel sector.
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